

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:259

ANSWERED ON:10.08.2006

MERGER OF AIR INDIA AND INDIAN AIRLINES .

Chakraborty Shri Swadesh

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government proposes to merge Air India and Indian Airlines into a single entity;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has appointed financial advisors to look into the merger issue of these airlines;
- (d) if so, the details thereof;
- (e) the time by which these airlines are expected to be merged; and
- (f) the steps taken/proposed to be taken to safeguard/protect the interests of the staff of these airlines?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c), (d), (e) and (f): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.259 FOR 10.08.2006 REGARDING MERGER OF AIR INDIA AND INDIAN AIRLINES.

(a), (b), (c), (d) and (e): The proposal for merger of the two airlines is under active consideration of the Government. Further, the Committee on merger of Air India and Indian Airlines constituted by Air India Board has appointed M/s. Accenture India Private Limited as Consultant. The consultants have indicated that they would be able to complete the initial work related to pre-merger activities in 10 weeks time from the date of award of their mandate, which would enable companies to prepare a detailed note to the Government for its approval. After receipt of Government approval, the necessary merger process will be taken up. The exact timeframe for completion of the merger would be determined after obtaining the required approvals.

(f): The Consultant has been asked by Air India as part of its terms of reference to look into issues involved in integration of manpower resources and recommend suitable methodology for this purpose.